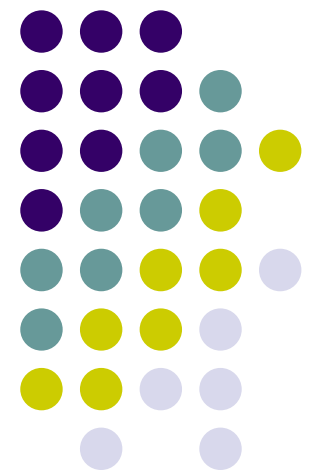


Project Valuation

Stakeholder Steering Committee
December 17, 2007





Guiding Principles

To be used in a CPUC transmission permitting proceeding, RETI analysis must be transparent.

Ideally, RETI methodology and analysis would be developed using the following criteria:

- Utilize market data and publicly available data to the greatest extent possible
- Reflect relevant regulatory decisions where applicable
- Applied consistently when evaluating multiple CREZs/transmission projects
- Adjustments to model inputs, assumptions, and methodologies must be transparent and documented
- Pursuant to statute and CPUC rules, any models used must be publicly available, user friendly, and well documented
- Other suggestions?



Capacity Valuation

Do we need to quantify the capacity value of particular renewable projects, relative to other renewable projects?

If so, how might this be done?

Studies, methodologies suggested?



Energy Valuation

Do we need to quantify the energy value of particular renewable projects, relative to other renewable projects?

If so, how might this be done?

Studies, methodologies suggested?



Integration Costs

Do we need to quantify the costs of integrating particular renewable projects onto the grid, relative to other renewable projects?

If so, how might this be done?

Studies, methodologies suggested?



Greenhouse Gas Costs

Do we need to quantify the greenhouse gas costs associated with particular renewable projects, relative to other renewable projects?

If so, how might this be done?

Studies, methodologies suggested?